

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM S-8

REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933

PENN NATIONAL GAMING, INC.

(Exact name of registrant as specified in its charter)

Pennsylvania

(State or other jurisdiction of
incorporation or organization)

23-2234473

(I.R.S. Employer
Identification No.)

825 Berkshire Boulevard, Suite 200, Wyomissing, Pennsylvania

(Address of principal executive offices)

19610

(Zip Code)

Penn National Gaming, Inc. 2018 Long Term Incentive Compensation Plan

(Full title of the plan)

Carl Sottosanti, Esq.

Executive Vice President, General Counsel and Secretary

Penn National Gaming, Inc.

825 Berkshire Boulevard, Suite 200

Wyomissing, Pennsylvania 19610

(Name and address of agent for service)

(610) 373-2400

(Telephone Number, including area code, of agent for service)

With a copy to:

Peter W. Hennessey

Ballard Spahr LLP

1735 Market Street, 51st Floor

Philadelphia, PA 19103-2297

(215) 665-8500

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer x

Accelerated filer o

Non-accelerated filer o

Smaller reporting company o

(Do not check if a smaller reporting company)

Emerging growth company o

CALCULATION OF REGISTRATION FEE

Title of securities to be registered	Amount to be registered(1)	Proposed maximum offering price per share(2)	Proposed maximum aggregate offering price	Amount of registration fee
Common stock \$0.01 par value	12,700,000 shares(3)	\$ 31.21	\$ 396,367,000	\$ 49,347.69

(1) Pursuant to Rule 416(a) under the Securities Act of 1933 (the "Securities Act"), this Registration Statement also covers an indeterminate number of additional shares of the Registrant's common stock, par value \$0.01 per share (the "Common Stock"), which may become issuable under the equity plan being registered pursuant to this Registration Statement by reason of stock splits, stock dividends, recapitalizations or any other similar capital adjustments affected as required by such plans.

(2) Estimated in accordance with Rule 457(c) solely for purposes of calculating the registration fee. The maximum offering price per share and the maximum aggregate offering price are based on the average of the \$32.32 (high) and \$30.09 (low) sale price of the Registrant's Common Stock as reported on the NASDAQ Global Select Market on August 1, 2018, which date is within five business days prior to filing this Registration Statement.

(3) Represents 12,700,000 shares of Common Stock reserved for issuance under the Penn National Gaming, Inc. 2018 Long Term Incentive Compensation Plan.

PART I
INFORMATION REQUIRED IN THE SECTION 10(a) PROSPECTUS

All information required by Part I to be contained in the prospectus is omitted from this registration statement in accordance with Rule 428 under the Securities Act of 1933, as amended.

PART II
INFORMATION REQUIRED IN THE REGISTRATION STATEMENT

Item 3. INCORPORATION OF DOCUMENTS BY REFERENCE

The following documents filed by Penn National Gaming, Inc. (the “Company”) with the Securities and Exchange Commission (the “Commission”) pursuant to the Securities Exchange Act of 1934, as amended (the “Exchange Act”), are incorporated herein by reference:

- the Company’s Annual Report on Form 10-K for the fiscal year ended December 31, 2017, filed with the Commission on March 1, 2018;
- the Company’s Quarterly Reports on Form 10-Q for the quarter ended March 31, 2018, filed with the Commission on May 7, 2018, and for the quarter ended June 30, 2018, filed with the Commission on August 1, 2018;
- the Company’s Current Reports on Form 8-K filed with the Commission on February 28, 2018, March 1, 2018 (Item 8.01 only), March 13, 2018, March 19, 2018, March 21, 2018, March 26, 2018, March 29, 2018, May 30, 2018, June 13, 2018 and June 19, 2018; and
- the description of the Company’s Common Stock included in its registration statement on Form 8-A as filed on May 26, 1994.

All documents subsequently filed (other than respective filings or portions of filings that are furnished, under applicable Commission rules, rather than filed) by the Company pursuant to Sections 13(a), 13(c), 14 and 15(d) of the Exchange Act, prior to the filing of a post-effective amendment which indicates that all securities offered have been sold or which deregisters all securities then remaining unsold, shall be deemed to be incorporated by reference herein and to be a part hereof from the date of the filing of such documents. Any statement contained in this Registration Statement or in a document incorporated or deemed to be incorporated by reference shall be deemed to be modified or superseded to the extent that a statement contained in any other subsequently filed document which also is deemed to be incorporated by reference herein or in any subsequently filed appendix to this Registration Statement modifies or supersedes such statement. Any such statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Registration Statement.

Item 4. DESCRIPTION OF SECURITIES

Not applicable.

Item 5. INTERESTS OF NAMED EXPERTS AND COUNSEL

Not applicable.

Item 6. INDEMNIFICATION OF DIRECTORS AND OFFICERS

Under Sections 1741 and 1742 of the Pennsylvania Business Corporation Law (“PBCL”), a business corporation has the power to indemnify any person who was or is a party, or is threatened to be made a party, to any threatened, pending or completed action or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that such person is or was a director or officer of the corporation, or is or was serving at the request of the corporation as a director or officer of another corporation or other enterprise, against expenses (including attorneys’ fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with such action or proceeding, if such person acted in good faith in a manner he or she reasonably believed to be in, or not opposed to, the best interests of the corporation, and, with respect to any criminal proceeding, had no reasonable cause to believe his or her conduct was unlawful. In the case of a

threatened, pending or completed action or proceeding by or in the right of the corporation, such indemnification only covers expenses and excludes judgments and amounts paid in settlement with respect to such action or proceeding, and no indemnification can be made for expenses if such person has been adjudged to be liable to the corporation unless, and only to the extent that, a court determines upon application that, despite the adjudication of liability but in view of all the circumstances, such person is fairly and reasonably entitled to indemnity for the expenses that the court deems proper.

In addition, PBCL Section 1744 provides that, unless ordered by a court, any indemnification referred to above shall be made by the corporation only as authorized in the specific case upon a determination that indemnification is proper in the circumstances because the indemnitee has met the applicable standard of conduct. Such determination shall be made:

- (1) by the board of directors by a majority vote of a quorum consisting of directors who were not parties to the proceeding;
- (2) if such a quorum is not obtainable, or if obtainable and a majority vote of a quorum of disinterested directors so directs, by independent legal counsel in a written opinion; or
- (3) by the shareholders.

Notwithstanding the above, PBCL Section 1743 provides that to the extent that a director or officer of a business corporation is successful on the merits or otherwise in defense of a proceeding referred to above, or in defense of any claim, issue or matter therein, such person shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by such person in connection therewith.

Further, PBCL Section 1745 provides that expenses (including attorneys' fees) incurred by an officer or director of a business corporation in defending any such proceeding may be paid by the corporation in advance of the final disposition of the proceeding upon receipt of an undertaking to repay the amount advanced if it is ultimately determined that the indemnitee is not entitled to be indemnified by the corporation.

Also, PBCL Section 1746 provides that the indemnification and advancement of expenses provided by, or granted pursuant to, the foregoing provisions is not exclusive of any other rights to which a person seeking indemnification may be entitled under any bylaw, agreement, vote of shareholders or disinterested directors or otherwise, and that indemnification may be granted under any bylaw, agreement, vote of shareholders or directors or otherwise for any action taken or any failure to take any action whether or not the corporation would have the power to indemnify the person under any other provision of law and whether or not the indemnified liability arises or arose from any action by or in the right of the corporation; provided, however, that no indemnification may be made in any case where the act or failure to act giving rise to the claim for indemnification is determined by a court to have constituted willful misconduct or recklessness.

The Company's bylaws provide for indemnification, to the fullest extent permitted by Pennsylvania law, for directors, officers and certain employees against all liability, loss and expense (including attorneys' fees, judgments, fines and amounts paid in settlement) actually and reasonably incurred by such person by reason of the fact that such person is or was a director or officer of the Company, or is or was serving at the request of the Company as a director, officer, employee, agent, fiduciary or trustee of another corporation or of a partnership, joint venture, trust, employee benefit plan or other enterprise or entity. The Company's bylaws also require the advancement of expenses. PBCL Section 1747 permits a Pennsylvania business corporation to purchase and maintain insurance on behalf of any person who is or was a director or officer of the corporation, or is or was serving at the request of the corporation as a director or officer of another corporation or other enterprise, against any liability asserted against such person and incurred by such individual in any such capacity, or arising out of his or her status as such, whether or not the corporation or other enterprise would have the power to indemnify the person against such liability under the provisions described above.

Article VIII of the Company's bylaws provides that, among other things, it may purchase and maintain insurance to secure its indemnification provisions.

The Company maintains directors' and officers' liability insurance covering its directors and officers with respect to liabilities, including liabilities under the Securities Act, which they may incur in connection with their serving as such. Under this insurance, the Company may receive reimbursement for amounts as to which the directors and officers are indemnified by the Company under the bylaw indemnification provisions described above. Such insurance also provides certain additional coverage for the directors and officers against certain liabilities even though such liabilities may not be covered by the bylaw indemnification provisions described above.

As permitted by PBCL Section 1713, the Company's bylaws provide that no director shall be personally liable, as such, for monetary damages for any action taken, or failure to take any action, unless (i) the director has breached or failed to perform the duties of his or her office under the articles, bylaws or the PBCL; and (ii) the breach or failure to perform constitutes self-dealing, willful misconduct or recklessness. The PBCL states that this exculpation from liability does not apply to the responsibility or liability of a director pursuant to any criminal statute or the liability of a director for the payment of taxes pursuant to federal, state or local law. It is uncertain whether this provision will control with respect to liabilities imposed upon directors by federal law, including federal securities laws. PBCL Section 1715(d) creates a presumption, subject to exceptions, that a director acted in the best interests of the corporation. PBCL Section 1712, in defining the standard of care a director owes to the corporation, provides that a director stands in a fiduciary relation to the corporation and must perform his or her duties as a director or as a member of any committee of the board of directors in good faith, in a manner he or she reasonably believes to be in the best interests of the corporation and with such care, including reasonable inquiry, skill and diligence, as a person of ordinary prudence would use under similar circumstances.

Item 7. EXEMPTION FROM REGISTRATION CLAIMED

Not applicable.

Item 8. EXHIBITS

<u>Number</u>	<u>Description</u>
5.1*	Opinion of Ballard Spahr LLP.
10.1	Penn National Gaming, Inc. 2018 Long Term Incentive Compensation Plan (Incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K, filed on June 13, 2018)
10.2*	Form of Notice of Award of Restricted Stock for the Penn National Gaming, Inc. 2018 Long Term Incentive Compensation Plan.
10.3*	Form of Notice of Award of Phantom Stock Units for the Penn National Gaming, Inc. 2018 Long Term Incentive Compensation Plan.
10.4*	Form of Non-Qualified Stock Option Certificate for the Penn National Gaming, Inc. 2018 Long Term Incentive Compensation Plan.
10.5*	Form of Notice of Stock Appreciation Right Award for the Penn National Gaming, Inc. 2018 Long Term Incentive Compensation Plan.
10.6*	Penn National Gaming, Inc. Performance Share Program.
10.7*	Form of Notice of Award of Restricted Stock for Performance Share Program for the Penn National Gaming, Inc. 2018 Long Term Incentive Compensation Plan.
10.8*	Form of Performance Share Program Restricted Stock Award Certificate for the Penn National Gaming, Inc. 2018 Long Term Incentive Compensation Plan.
23.1*	Consent of Deloitte & Touche LLP.
23.2*	Consent of Ernst & Young LLP.
23.3*	Consent of Ballard Spahr LLP (included as part of Exhibit 5.1).
24.1*	Power of Attorney (included in signature page of this Registration Statement on Form S-8).

Item 9. UNDERTAKINGS

(a) The undersigned Registrant hereby undertakes:

(1) To file, during any period in which offers or sales are being made, a post-effective amendment to this Registration Statement:

(i) To include any prospectus required by Section 10(a)(3) of the Securities Act;

(ii) To reflect in the prospectus any facts or events arising after the effective date of this Registration Statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in this Registration Statement. Notwithstanding the foregoing, any increase or decrease in volume of securities offered (if the total dollar value of securities offered would not exceed that which was registered) and any deviation

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from the low or high end of the estimated maximum offering range may be reflected in the form of prospectus filed with the Commission pursuant to Rule 424(b) if, in the aggregate, the changes in volume and price represent no more than a 20% change in the maximum aggregate offering price set forth in the "Calculation of Registration Fee" table in the effective registration statement;

(iii) To include any material information with respect to the plan of distribution not previously disclosed in this Registration Statement or any material change to such information in this Registration Statement;

provided, however, that paragraphs (a)(1)(i) and (a)(1)(ii) do not apply if the information required to be included in a post-effective amendment by those paragraphs is contained in reports filed with or furnished to the Commission by the Registrant pursuant to Section 13 or Section 15(d) of the Exchange Act that are incorporated by reference in this Registration Statement.

(2) That, for the purpose of determining any liability under the Securities Act, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(3) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

(b) The undersigned Registrant hereby undertakes that, for purposes of determining any liability under the Securities Act, each filing of the Registrant's annual report pursuant to Section 13(a) or Section 15(d) of the Exchange Act (and, where applicable, each filing of an employee benefit plan's annual report pursuant to Section 15(d) of the Exchange Act) that is incorporated by reference in this Registration Statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(c) Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the Registrant pursuant to the foregoing provisions, or otherwise, the Registrant has been advised that in the opinion of the Commission such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the Registrant of expenses incurred or paid by a director, officer or controlling person of the Registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the Registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

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SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the Registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-8 and has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Wyomissing, Commonwealth of Pennsylvania, on this 7th day of August, 2018.

PENN NATIONAL GAMING, INC.

By: /s/ Timothy J. Wilmott
Timothy J. Wilmott
Chief Executive Officer

KNOW ALL PERSONS BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints William J. Fair and Carl Sottosanti, and each or any one of them, his or her true and lawful Attorneys-in-Fact (the "Attorneys-in-Fact"), with full power of substitution and resubstitution, for him or her and in his or her name, place and stead, in any and all capacities, to sign any and all amendments (including post-effective amendments) to this Registration Statement on Form S-8, and to file the same, with all exhibits thereto, and other documents in connection therewith, with the U.S. Securities and Exchange Commission, granting unto said Attorneys-in-Fact, and each of them, full power and authority to perform each and every act and thing requisite and necessary to be done in connection therewith, as fully to all intents and purposes as he or she might or could do in person, hereby ratifying and confirming all that said Attorneys-in-Fact, or any of them, or his, her or their substitute or substitutes may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, this registration statement has been signed by the following persons in the capacities and on the dates indicated.

<u>Signature</u>	<u>Title</u>	<u>Date</u>
<u>/s/ Timothy J. Wilmott</u> Timothy J. Wilmott	Director and Chief Executive Officer (Principal Executive Officer)	August 7, 2018
<u>/s/ William J. Fair</u> William J. Fair	Executive Vice President and Chief Financial Officer (Principal Financial Officer and Principal Accounting Officer)	August 7, 2018
<u>/s/ Peter M. Carlino</u> Peter M. Carlino	Chairman of the Board	August 7, 2018
<u>/s/ David A. Handler</u> David A. Handler	Director	August 7, 2018
<u>/s/ John M. Jacquemin</u> John M. Jacquemin	Director	August 7, 2018

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<u>/s/ Barbara Shattuck Kohn</u> Barbara Shattuck Kohn	Director	August 7, 2018
<u>/s/ Ronald J. Naples</u> Ronald J. Naples	Director	August 7, 2018
<u>/s/ Saul V. Reibstein</u> Saul V. Reibstein	Director	August 7, 2018
<u>/s/ Jane Scaccetti</u> Jane Scaccetti	Director	August 7, 2018

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1735 Market Street, 51st Floor
 Philadelphia, PA 19103-7599
 TEL 215.665.8500
 FAX 215.864.8999
 www.ballardspahr.com

August 7, 2018

Penn National Gaming, Inc.
 825 Berkshire Boulevard, Suite 200
 Wyomissing, Pennsylvania 19610

Re: Penn National Gaming, Inc. - Registration Statement on Form S-8

We have acted as counsel to Penn National Gaming, Inc., a Pennsylvania corporation (the "Company"), in connection with the Registration Statement on Form S-8 (the "Registration Statement"), relating to the registration under the Securities Act of 1933, as amended (the "Securities Act"), and the issuance of up to 12,700,000 shares of the Company's common stock, par value \$0.01 per share (the "Shares"), pursuant to the Penn National Gaming, Inc. 2018 Long Term Incentive Compensation Plan (the "Plan").

In rendering this opinion, we have reviewed the Plan and such certificates, documents, corporate records and other instruments and matters of law as in our judgment are necessary or appropriate to enable us to render the opinion expressed below. In rendering this opinion, we are assuming the authenticity of all instruments presented to us as originals, the conformity with the originals of all instruments presented to us as copies and the genuineness of all signatures.

The opinion expressed below is based on the assumption that the Registration Statement has been filed by the Company with the Securities and Exchange Commission and will have become effective before any of the Shares are issued, and that persons acquiring the Shares will do so strictly in accordance with the terms of the Plan and will receive a prospectus containing all the information required by Part I of the Registration Statement before acquiring such Shares. The opinion is also based on the assumption that the Shares will continue to be duly and validly authorized on the dates that the Shares are issued to participants pursuant to the terms of the Plan and, upon the issuance of any of the Shares, the total number of shares of common stock of the Company issued and outstanding, after giving effect to such issuance of such Shares, will not exceed the total number of shares of common stock that the Company is then authorized to issue under its Articles of Incorporation, as amended.

Based on the foregoing, we are of the opinion that the Shares, when issued pursuant to the Plan in accordance with the terms and conditions thereof (including, where applicable, the payment of any exercise price, the satisfaction of any vesting or forfeiture restrictions and the achievement of applicable performance goals), will be validly issued, fully paid and nonassessable.

Atlanta | Baltimore | Bethesda | Denver | Las Vegas | Los Angeles | New Jersey | New York | Philadelphia | Phoenix | Salt Lake City |
 San Diego | Washington, DC | Wilmington | www.ballardspahr.com

This opinion is limited to the matters expressly stated herein and no implied opinion may be inferred to extend this opinion beyond the matters expressly stated herein. This opinion is limited to the laws of the Commonwealth of Pennsylvania.

We consent to the filing of this opinion as Exhibit 5.1 to the Registration Statement. In giving this consent, we do not admit that we are within the category of persons whose consent is required by Section 7 of the Securities Act.

Very truly yours,

/s/ Ballard Spahr LLP

PENN NATIONAL GAMING, INC.

NOTICE OF AWARD OF RESTRICTED STOCK

The purpose of this Notice is to inform you that an Award of Restricted Stock of Penn National Gaming, Inc. (the "Company") has been made to you pursuant to the Penn National Gaming, Inc. 2018 Long Term Incentive Compensation Plan, as amended, as follows:

Name and Address
of Grantee:

Date of Grant:

Type of Grant: Restricted Stock Award

Number of shares:

Lapse of Forfeiture shares on [1st anniversary of Date of Grant]
Restrictions: shares on [2nd anniversary of Date of Grant]
 shares on [3rd anniversary of Date of Grant]
 shares on [4th anniversary of Date of Grant]

OR

 shares on [1st anniversary of Date of Grant]
 shares on [2nd anniversary of Date of Grant]
 shares on [3rd anniversary of Date of Grant]

OR

 shares on [4th anniversary of Date of Grant]
 shares on [5th anniversary of Date of Grant]

The Award is subject to all the terms and conditions of the Penn National Gaming, Inc. 2018 Long Term Incentive Compensation Plan, as amended, which is available upon request, and the Award Agreement attached hereto.

GRANTEE

Date: _____

PENN NATIONAL GAMING, INC.

Date: _____

By: _____
Title: _____

PENN NATIONAL GAMING, INC.
RESTRICTED STOCK AWARD AGREEMENT

All Restricted Stock is subject to the provisions of the 2018 Long Term Incentive Compensation Plan, as amended, (the "Plan") and any rules and regulations established by the Compensation Committee of the Board of Directors of Penn National Gaming, Inc. A copy of the Plan is available upon request. Unless specifically defined herein, words used herein with initial capitalized letters are defined in the attached Notice or the Plan.

The terms provided herein are applicable to the Restricted Stock Award specified in the attached Notice. Different terms may apply to any prior or future awards under the Plan.

I. PAYMENT FOR SHARES

There is no exercise price or other payment required from you in exchange for this Restricted Stock Award.

II. FORFEITURE RESTRICTIONS/LAPSE OF RESTRICTIONS

This Restricted Stock Award is subject to forfeiture until lapse of such forfeiture restrictions as set forth below. The lapse of such forfeiture restrictions means that the Common Stock subject to the Award shall, thereafter, be fully transferable by you, subject to compliance with Section VIII of this Award Agreement. Until the lapse of such forfeiture restrictions you may not sell, transfer, pledge or otherwise dispose of the shares of Common Stock subject to this Restricted Stock Award.

The forfeiture restrictions on this Restricted Stock Award shall lapse in [25% installments on each of the first, second, third and fourth anniversaries of the Date of Grant] OR [33.33% installments on each of the first, second and third anniversaries of the Date of Grant] OR [50% installments on each of the fourth and fifth anniversaries of the Date of Grant].

In addition, the forfeiture restrictions on this Restricted Stock Award shall lapse in their entirety as of the occurrence of any of the following events:

- A. Your service as an Employee or Director of the Company, as applicable, terminates because of your death or Disability; or
- B. A Change of Control (as defined in the Plan) occurs.

There are no additional events or occurrences that shall lead to lapse of any forfeiture restrictions on this Award.

III. FORFEITURE

If your service as an Employee or Director of the Company, as applicable, terminates for any reason (except as otherwise provided for in the Plan or this Award Agreement), then all of the Restricted Stock that remains subject to forfeiture restrictions at such time shall be cancelled and

forfeited. This means that the Restricted Stock will immediately revert to the Company. You will receive no payment for shares of Restricted Stock that are forfeited.

IV. LEAVES OF ABSENCE

For purposes of this Award, your service as an Employee or Director, as applicable, does not terminate when you go on a leave of absence recognized under the Plan. Your service will terminate when the leave of absence ends, however, unless you immediately return to active service in the applicable capacity.

V. STOCK CERTIFICATES

The Restricted Stock, or any part thereof, may be represented by certificates or may be notated in the form of uncertificated shares. The rights and obligations of the holder of shares represented by a certificate and the rights and obligations of the holder of uncertificated shares of the same class and series shall be identical. During the Restricted Period the shares underlying this Restricted Stock Award will be held for you by the Company. After the lapse of any applicable forfeiture restrictions, the shares of Common Stock will be released to you in the form of a stock certificate or uncertificated shares at your option.

VI. VOTING AND DIVIDEND RIGHTS

You may vote your Restricted Stock and you will receive any dividends paid with respect to your Restricted Stock even before the lapse of forfeiture restrictions. Dividends with respect to your Restricted Stock will be paid on the same date or dates that dividends are payable on the Common Stock to Company shareholders generally.

VII. WITHHOLDING TAXES

No stock certificate or other evidence of shares of Common Stock will be released or issued to you unless you have made arrangements, acceptable to the Company, to pay any withholding taxes that may be due as a result of the lapse of the forfeiture restrictions. In accordance with the Plan, you are authorized to make payment of any such withholding tax in cash, by payroll deduction, by authorizing the Company to withhold shares of Common Stock from this Award or by surrendering to the Company shares of Common Stock that you already own. In the event you elect to authorize the Company to withhold shares of Common Stock from this Award, you can only authorize the retention of shares of Common Stock equal to the minimum tax withholding obligation. The Fair Market Value of the shares of Common Stock retained by the Company or surrendered by you shall be determined in accordance with the Plan as of the date the tax obligation arises.

VIII. RESTRICTIONS ON RESALE

You may not to sell any shares of Common Stock free from the forfeiture restrictions of this Award at a time when applicable laws or Company policies would prohibit a sale. This restriction will apply as long as you are an Employee or Director of the Company, as applicable.

IX. NO RIGHT TO CONTINUED SERVICE

This Restricted Stock Award does not give you the right to continue in service with the Company in any capacity. The Company reserves the right to terminate your services at any time, with or without cause, subject to any employment agreement or other contract.

X. ADJUSTMENTS

In the event of a stock split, a stock dividend or a similar change in the Common Stock, the number of shares of Restricted Stock that remain subject to forfeiture will be adjusted accordingly.

XI. APPLICABLE LAW

This Award Agreement will be interpreted and enforced under the laws of the Commonwealth of Pennsylvania, without regard to its choice of law provisions.

XII. ENTIRE AGREEMENT/AMENDMENT

The text of the Plan is incorporated in this Award Agreement by reference.

This Award Agreement and the Plan constitute the entire understanding between you and the Company regarding this Award. Any prior agreements, commitments or negotiations concerning this Award are superseded. This Award Agreement may be amended in a way that is adverse to you or your

beneficiaries only by another written agreement, signed by both parties, otherwise, the rights of the Board or Grantor as set forth in the Plan control as to any modification, alteration or amendment of this Award Agreement.

PENN NATIONAL GAMING, INC.

NOTICE OF AWARD OF PHANTOM STOCK UNIT

The purpose of this Notice is to inform you that a Phantom Stock Unit Award has been made to you by Penn National Gaming, Inc. (the "Company") pursuant to the Penn National Gaming, Inc. 2018 Long Term Incentive Compensation Plan, as amended (the "Plan"), as follows:

Name and Address
of Grantee:

Date of Grant: _____, 20

Type of Grant: Phantom Stock Unit Award

Number of units:

Vesting Date _____ units on _____, 20
 _____ units on _____, 20
 _____ units on _____, 20
 _____ units on _____, 20
 _____ units on _____, 20

Each vested Phantom Stock Unit is payable in cash in an amount equal to the fair market value (as defined in the Plan) of one share of Common Stock of the Company, determined as of the vesting date. You have no right to receive shares of Common Stock of the Company under this Award.

The Award is subject to all the terms and conditions of the Penn National Gaming, Inc. 2018 Long Term Incentive Compensation Plan, as amended, which is available upon request, and the Award Agreement attached hereto.

PENN NATIONAL GAMING, INC.

By: _____
 Title:

PENN NATIONAL GAMING, INC.
 PHANTOM STOCK UNIT AWARD AGREEMENT

All Phantom Stock Unit Awards are subject to the provisions of the 2018 Long Term Incentive Compensation Plan, as amended (the "Plan") and any rules and regulations established by the Compensation Committee of the Board of Directors of Penn National Gaming, Inc. A copy of the Plan is available upon request. Unless specifically defined herein, words used herein with initial capitalized letters are defined in the attached Notice of Award of Phantom Stock Unit (the "Notice") or the Plan.

The terms provided herein are applicable to the Phantom Stock Unit Award specified in the attached the Notice. Different terms may apply to any prior or future awards under the Plan.

1. Grant of Phantom Stock Unit.

Effective as of the Date of Grant identified on the Notice, the Company has granted and issued to you an Award of Phantom Stock Units ("PSUs"). The number of PSUs subject to the Award is identified in the Notice. Each PSU represents the right to a cash payment upon vesting of the PSU equal to the Fair Market Value on the vesting date of one share of the Company's Common Stock.

2. Vesting.

The PSUs shall vest on the dates and in the number of units set forth in the attached Notice, provided that you are employed by the Company or a Subsidiary or serving as a Director, as applicable, on the vesting date. In addition, the PSUs shall vest upon termination of your employment after a Change of Control in accordance with the Plan, or in the event your employment terminates due to death or Disability. If your service as an Employee or Director of the Company, as applicable, terminates for any other reason, then all of the PSUs that remain unvested at such time shall be cancelled and forfeited. This means that you will receive no payment for any PSU that is forfeited.

3. Payment Date.

The Company will deliver to you a cash payment for each vested and outstanding PSU within thirty (30) days following the vesting date, subject to the terms of this Award Agreement.

4. Payment of Taxes.

Upon the issuance of any cash payment in accordance with the foregoing, the Company shall withhold all applicable tax-related items legally payable by you from such cash payment.

5. Nature of Phantom Stock Units.

PSUs are used solely as a device to measure and determine the cash amount that will be paid to you following the date on which the PSUs vest. PSUs are not treated as property or as a trust fund of any kind. Nothing in this Award Agreement, and no action taken pursuant to its provisions, will create or be construed to create a trust of any kind or a fiduciary relationship between you and the Company or any other person. All amounts attributable to the PSUs shall be and remain the sole property of the Company, and your rights under this Award Agreement

and the Plan are limited to the right to receive cash following the date the PSUs vest. You have no right to receive shares of Common Stock under this Award Agreement.

6. No Right To Continued Service.

This PSU Award does not give you the right to continue in service with the Company in any capacity. The Company reserves the right to terminate your services at any time, with or without cause, subject to any employment agreement or other contract.

7. Inalienability of Rights.

The PSUs may not be sold, assigned, transferred, pledged, hypothecated or otherwise disposed of or otherwise encumbered except in accordance with Section 12.8 of the Plan.

8. Applicable Law.

This Award Agreement will be interpreted and enforced under the laws of the Commonwealth of Pennsylvania, without regard to its choice of law provisions.

9. Effect and Construction of this Award Agreement.

The text of the Plan is incorporated in this Award Agreement by reference.

This Award Agreement and the Plan constitute the entire understanding between you and the Company regarding this Award. Any prior agreements, commitments or negotiations concerning this Award are superseded. This Award Agreement may be amended in a way that is adverse to you or your beneficiaries only by another written agreement, signed by both parties, otherwise, the rights of the Board or Grantor as set forth in the Plan control as to any modification, alteration or amendment of this Award Agreement.

PENN NATIONAL GAMING, INC.

NON-QUALIFIED STOCK OPTION CERTIFICATE

This certifies that an option to purchase shares of Common Stock of Penn National Gaming, Inc. has been granted pursuant to the Penn National Gaming, Inc. 2018 Long Term Incentive Compensation Plan, as amended, as follows:

Name and Address
of Optionee:

Date of Grant: _____, 20

Type of Option: Non-Qualified Stock Option

Number of shares subject to
Option:

Option Price: \$

Vesting Date(s):
shares on _____, 20
shares on _____, 20
shares on _____, 20
shares on _____, 20

Expiration Date: _____, 20

The option is subject to all the terms and conditions of the Penn National Gaming, Inc. 2018 Long Term Incentive Compensation Plan, as amended, a copy of which is available upon request.

Date: _____

PENN NATIONAL GAMING, INC.

By:
Title:

**PENN NATIONAL GAMING, INC.
STOCK OPTION TERMS**

All Stock Options are subject to the provisions of the 2018 Long Term Incentive Compensation Plan, as amended (the "Plan") and any rules and regulations established by the Compensation Committee of the Board of Directors of Penn National Gaming, Inc. ("PNG"). A copy of the Plan is available upon request. Words used herein with initial capitalized letters are defined in the attached Non-Qualified Stock Option Certificate or the Plan.

The terms provided here are applicable to the Stock Option specified in the attached certificate. Different terms may apply to any prior or future stock option grants.

I. OPTION PERIOD

You may exercise your Stock Options during the Option Period, which begins on the Vesting Dates and ends on the Expiration Date. The Stock Options vest in 25% installments on each Vesting Date. The Vesting Dates are the first, second, third and fourth anniversaries of the Date of Grant. Thus, you may exercise up to 25% of your Stock Options on the first Vesting Date, up to another 25% of your Stock Options on the second Vesting Date, and so on. The Expiration Date is ten (10) years from the Date of Grant. However, the Option Period may end sooner if your employment is terminated under certain circumstances.

II. TERMINATION OF EMPLOYMENT

If you cease to be an Employee or Director of the Company and all Subsidiaries, as the case may be, for any reason (other than as specified in clauses (i), (ii) or (iii) below), then your Stock Options that are exercisable as of the termination or cessation date shall be cancelled and forfeited at the end of the 120th day after such date and all Stock Options that are not exercisable as of the termination or cessation date shall be forfeited and cancelled as of such date; except that, in cases of where such termination of employment or cessation of service is a result of (i) death or Disability, in which case the Stock Options that are not then exercisable shall thereupon become exercisable and all Stock Options shall remain exercisable for the balance of their respective terms, (ii) resignation (other than for Retirement), in which case the Stock Options that are exercisable as of such termination or cessation date shall be cancelled and forfeited at the end of the 30th day after such date, and (iii) termination for Cause by the Company, a Subsidiary, or the Board, in which case all of the Stock Options, whether or not then exercisable, shall be cancelled and forfeited as of such termination date.

III. TRANSFERABILITY

In general, Stock Options may be exercised during your lifetime only by you and may not be assigned or otherwise transferred to anyone else; provided, however, that Options are transferable to family members, subject to certain restrictions and with certain tax implications. Options are transferable upon your death by will or the laws of distribution and descent.

IV. PAYMENT

When you exercise your Stock Options, you may pay the Option Price in cash, by check, with previously issued shares of PNG Common Stock (under certain circumstances), in accordance with a “cashless exercise program” or with a combination of the foregoing.

Penn National Gaming, Inc. Understanding How Non-Qualified Stock Options Work

Congratulations on receiving a Penn National Gaming, Inc. (“PNG”) Non-Qualified Stock Option. These Stock Options are designed so that you may share in the Company’s success.

How Do Stock Options Work?

A stock option is the right, subject to certain conditions, to purchase shares of PNG Common Stock at a fixed price. The per share price at which Shares of Common Stock may be purchased when the Stock Option is exercised is referred to as the Option Price. The Option Price is fixed on the Date of Grant and does not change for the life of the Stock Option. However, the market price of PNG stock changes and will ultimately determine the gain, if any, from your Stock Option. If the value of PNG stock increases, you will be able to buy PNG stock below the market price at the time of exercise. For example, if you have been granted Stock Options to purchase 100 shares, at an Option Price of \$25 and the price of PNG stock has grown to \$40 on the date you choose to exercise, you would be able to purchase shares that are worth \$4,000 for only \$2,500, a pre-tax gain of \$15 per share. You will be subject to Federal income tax with respect to the Stock Option when you exercise your Stock Option. **THE TAX RULES APPLICABLE TO NON-QUALIFIED STOCK OPTIONS ARE COMPLEX. YOU SHOULD CONSULT WITH YOUR FINANCIAL ADVISOR FOR MORE INFORMATION.**

Stock Option Basics

The **Option Price** is set at the closing sales price of a share of Common Stock of PNG stock on the immediately preceding business day of the date the Stock Option is awarded.

The **vesting period** is the waiting period from the **Date of Grant** to the **Vesting Date** during which you cannot exercise your Stock Option.

The **Option Period** is the time from the **Vesting Date** until the **Expiration Date**, during which you can exercise your Stock Options, which means you can purchase shares of PNG stock at the Option Price.

Your Stock Option can no longer be exercised after the Expiration Date, which is ten (10) years after the Date of Grant. The Stock Option will expire sooner if you leave PNG under certain circumstances. For example, if you were granted a Stock Option to purchase 100 shares of PNG Common Stock, and you remain employed by PNG for ten (10) years, the Stock Option is exercisable as follows:

<u>Number of Shares</u>	<u>Vesting Period</u>	<u>Option Period</u>
25 shares	Date of Grant - First Anniversary of Date of Grant	First Anniversary of Date of Grant - Tenth Anniversary of Date of Grant
25 shares	Date of Grant - Second Anniversary of Date of Grant	Second Anniversary of Date of Grant - Tenth Anniversary of Date of Grant
25 shares	Date of Grant - Third Anniversary of Date of Grant	Third Anniversary of Date of Grant - Tenth Anniversary of Date of Grant
25 shares	Date of Grant - Fourth Anniversary of Date of Grant	Fourth Anniversary of Date of Grant - Tenth Anniversary of Date of Grant

PENN NATIONAL GAMING, INC.

NOTICE OF STOCK APPRECIATION RIGHT AWARD

The purpose of this Notice is to inform you that a Stock Appreciation Right (SAR) Award has been made to you by Penn National Gaming, Inc. (the "Company") pursuant to the Penn National Gaming, Inc. 2018 Long Term Incentive Compensation Plan (the "Plan"), as follows:

Name and Address
of Grantee:

Date of Grant: , 20

Type of Grant: Stock Appreciation Right (SAR) Award

Number of SARs
(shares covered by
the SAR Award):

Base Amount:

Vesting Date(s): shares on , 20
 shares on , 20
 shares on , 20
 shares on , 20

Expiration Date: , 20

Each vested SAR represents the right to receive a cash payment upon exercise equal to the amount by which the fair market value (as defined in the Plan) of one share of Common Stock of the Company on the date of exercise exceeds the Base Amount of the SAR.

The SAR Award is subject to all the terms and conditions of the Plan, which is available upon request, and the Award Agreement attached hereto.

PENN NATIONAL GAMING, INC.

By:
Title:

PENN NATIONAL GAMING, INC.
STOCK APPRECIATION RIGHT (SAR) AWARD AGREEMENT

All Stock Appreciation Right Awards are subject to the provisions of the 2018 Long Term Incentive Compensation Plan (the "Plan") and any rules and regulations established by the Compensation Committee of the Board of Directors of Penn National Gaming, Inc. A copy of the Plan is available upon request. Unless specifically defined herein, words used herein with initial capitalized letters are defined in the attached Notice of Stock Appreciation Right Award (the "Notice") or the Plan.

The terms provided herein are applicable to the Stock Appreciation Right Award specified in the attached Notice. Different terms may apply to any prior or future awards under the Plan.

1. Grant of Stock Appreciation Rights.

Effective as of the Date of Grant identified on the Notice, the Company has granted and issued to you an Award of Stock Appreciation Rights (SARs). The number of SARs granted to you is equal to the number of shares of Common Stock subject to the SAR Award, and is identified in the Notice. Each vested SAR represents the right to receive a cash payment upon exercise equal to the amount by which the Fair Market Value of a share of Common Stock on the date of exercise exceeds the Base Amount for the SAR.

2. Vesting and Exercisability.

The SARs shall vest on the dates and with respect to the number of shares of Common Stock set forth in the attached Notice, provided that you are employed by the Company or a Subsidiary or serving as a Director, as applicable, on the vesting date, except as otherwise provided in Paragraph 3 below. In addition, the SARs shall vest upon the occurrence of a termination of service following a Change of Control in accordance with Article XIII of the Plan.

The SARs, or a portion thereof, shall be exercisable during the period beginning on the applicable vesting date and ending on the Expiration Date, subject to earlier termination in the event of a termination of your employment or service as a Director under certain circumstances, as provided in Paragraph 3.

3. Termination of Employment or Service.

If you cease to be an employee of the Company and all Subsidiaries or if you cease to be a Director, as the case may be, for any reason (other than as specified in clauses (i), (ii) or (iii) below), then the SARs that are vested as of your termination or cessation date shall be exercisable until the end of the

120th day after that date, and the SARs that are not vested as of your termination or cessation date shall be forfeited and cancelled immediately; except that, in cases where your termination of employment or cessation of service is a result of your:

(i) death or Disability, any unvested SARs shall thereupon become vested and exercisable and the SARs shall remain exercisable until the Expiration Date;

(ii) resignation (other than for Retirement), any vested SARs shall be cancelled and forfeited at the end of the 30th day after your termination or cessation date; and

(iii) termination for Cause by the Company, a Subsidiary, or the Board, any SARs then outstanding, whether or not then vested, shall be cancelled and forfeited as of such termination date.

You will receive no payment for any SARs that are cancelled and forfeited.

4. Exercise.

You may exercise your vested SARs by providing notice of exercise to the Company, in a form and manner acceptable to the Company.

5. Payment of Taxes.

Upon the issuance of any cash payment in accordance with the foregoing, the Company shall withhold all applicable tax-related items legally payable by you from such cash payment.

6. Nature of SARs.

SARs are used solely as a device to measure and determine the cash amount that will be paid to you upon exercise of the vested SARs. SARs are not treated as property or as a trust fund of any kind. Nothing in this Award Agreement, and no action taken pursuant to its provisions, will create or be construed to create a trust of any kind or a fiduciary relationship between you and the Company or any other person. All amounts attributable to SARs shall be and remain the sole property of the Company, and your rights under this Award Agreement and the Plan are limited to the right to receive cash following the dates the SARs vest. You have no right to receive shares of Common Stock under this Award Agreement.

7. No Right To Continued Service.

This SAR Award does not give you the right to continue in service with the Company in any capacity. The Company reserves the right to terminate your services at any time, with or without cause, subject to any employment agreement or other contract.

8. Inalienability of Rights.

The SARs may not be sold, assigned, transferred, pledged, hypothecated or otherwise disposed of or otherwise encumbered except in accordance with Section 12.8 of the Plan.

9. Applicable Law.

This Award Agreement will be interpreted and enforced under the laws of the Commonwealth of Pennsylvania, without regard to its choice of law provisions.

10. Effect and Construction of this Award Agreement.

The text of the Plan is incorporated in this Award Agreement by reference.

This Award Agreement and the Plan govern the terms and conditions of this Award. Any prior agreements, commitments or negotiations concerning this Award are superseded. This Award Agreement may be amended in a way that is adverse to you or your beneficiaries only by another written agreement, signed by both parties, otherwise, the rights of the Board or Grantor as set forth in the Plan control as to any modification, alteration or amendment of this Award Agreement.

Penn National Gaming, Inc.
Understanding How Stock Appreciation Rights Work

Congratulations on receiving a Penn National Gaming, Inc. ("PNG") Stock Appreciation Right (SAR) Award. These SARs are designed so that you may share in the Company's success.

How Do SARs Work?

A SAR is the right, subject to certain conditions, to receive a cash payment equal to the appreciation, if any, in the value of a share of PNG Common Stock between the date the SAR is granted and the date you exercise the SAR. This payment is not automatically made; you must exercise a vested SAR to receive it.

The value of a share of PNG Common Stock on the grant date is the Base Amount; it does not change for the life of the SAR (except in certain limited circumstances determined in the Compensation Committee's discretion, as described in the Plan). However, the market price of PNG stock changes and will ultimately determine the value, if any, you receive from your SARs. If the value of PNG stock increases, the value of your SARs will increase. For example, if you have been granted 100 SARs (in other words, SARs covering 100 shares of PNG stock) with a Base Amount of \$30 and the market price of PNG stock

has grown to \$40 on the date you choose to exercise, you would receive a gross cash payment equal to \$1,000. You will be subject to Federal income tax with respect to the SARs when you exercise the SARs and the amount paid to you will be net of any required state and federal tax withholding and any other amounts required to be withheld under applicable tax laws. **YOU SHOULD CONSULT WITH YOUR OWN TAX ADVISOR FOR MORE INFORMATION REGARDING THE TAX RULES APPLICABLE TO SARs.**

SAR Basics

The **Base Amount** is equal to the closing sales price of a share of PNG Common Stock on the business day immediately preceding the date the SARs are granted.

The **vesting period** is the waiting period from the **Date of Grant** to the **Vesting Dates** during which you cannot exercise your SARs, or the portion of your SARs for which the Vesting Date has not been reached.

The **exercise period** is the time from the **Vesting Date** until the **Expiration Date**, during which you can exercise your vested SARs.

Your SARs can no longer be exercised after the Expiration Date, which is ten (10) years after the Date of Grant. The SARs will expire sooner if you leave PNG under certain circumstances. For example, if you were granted SARs covering 100 shares of PNG Common Stock, and you remain employed by PNG for ten (10) years, the SARs are exercisable as follows:

Number of shares	Vesting Period	Exercise Period
25 shares	Date of Grant - First Anniversary of Date of Grant	First Anniversary of Date of Grant - Tenth Anniversary of Date of Grant
25 shares	Date of Grant - Second Anniversary of Date of Grant	Second Anniversary of Date of Grant - Tenth Anniversary of Date of Grant
25 shares	Date of Grant - Third Anniversary of Date of Grant	Third Anniversary of Date of Grant - Tenth Anniversary of Date of Grant
25 shares	Date of Grant - Fourth Anniversary of Date of Grant	Fourth Anniversary of Date of Grant - Tenth Anniversary of Date of Grant

**PENN NATIONAL GAMING, INC.
PERFORMANCE SHARE PROGRAM**

**ARTICLE 1.
PURPOSE**

This Penn National Gaming, Inc. Performance Share Program (as it may be amended or restated from time to time, the “Program”) has been adopted by the Compensation Committee of the Board of Directors of Penn National Gaming, Inc. (the “Company”), as a defined program under the Company’s 2018 Long Term Incentive Compensation Plan (as amended from time to time, the “LTIP”), and is intended to assist in attracting, motivating and retaining key executives who are expected to contribute meaningfully to the development and growth of the Company by providing such individuals with an additional equity-based incentive for outstanding performance, in this case, one tied directly to the Company’s financial performance. The Program and Awards hereunder are made under and are subject to the terms of the LTIP, including the limitation on the maximum Award that may be granted to a Participant pursuant to Section 7.2 of the LTIP.

**ARTICLE 2.
DEFINITIONS AND CONSTRUCTION**

The defined terms used in this Program without definition shall have the meanings set forth in the LTIP, unless varied in this Program. In addition, wherever the following terms are used in the Program, they shall have the meanings specified below, unless the context clearly indicates otherwise. The singular pronoun shall include the plural where the context so indicates.

2.1 “Applicable Law” means any applicable law, including without limitation: (a) provisions of the Code, the Securities Act, the Exchange Act and any rules or regulations thereunder; (b) corporate, securities, tax or other laws, statutes, rules, requirements or regulations, whether federal, state, local or foreign; and (c) rules of any securities exchange or automated quotation system on which the Shares are listed, quoted or traded.

2.2 “Award” means, with respect to each Participant, an award of Restricted Stock made under the LTIP and subject to the provisions of this Program.

2.3 “Award Certificate” means the Certificate setting forth the specific terms of each Award granted under this Program.

2.4 “Award Period” means three consecutive Performance Periods, beginning with the first such Performance Period on or after January 1, 2018 and ending within 90 days after the third such Performance Period on the date the Committee makes its determination with respect to final vesting of the Award or, if earlier, the date of the Committee determination following a Change of Control in accordance with Article XIII of the LTIP. Notwithstanding the foregoing, no new Award Period shall commence on or after the date upon which a Change of Control occurs, unless otherwise determined by the Committee.

2.5 “Award Target” means, with respect to each Participant for an Award Period, a percentage of such Participant’s total target long-term incentive value calculated at the

beginning of the Award Period and expressed as a number of Performance Shares. One-third of the Award Target will apply to each of the Performance Periods in an Award Period.

2.6 “EBITDA” means, on an annual basis, the Company’s total earnings before interest taxes depreciation and amortization, as calculated by the Committee.

2.7 “Eligible Employee” means any person who is an executive and determined by the Committee to be eligible to participate in the Program.

2.8 “Entry Level EBITDA” means, with respect to a Performance Period, 85% of the Performance Goal established by the Committee with respect to such Performance Period.

2.9 “Maximum Level EBITDA” means, with respect to a Performance Period, 115% of the Performance Goal established by the Committee with respect to such Performance Period.

2.10 “Participant” means an Eligible Employee who has received an Award under the Program pursuant to Article 3. For purposes of the LTIP, references to “Grantee” in the LTIP will refer to a Participant hereunder.

2.11 “Performance Goal” means, with respect to each Performance Period, the target level of EBITDA that must be achieved in order for a Participant’s Performance Shares to be credited to his or her account. Achievement of the Performance Goal means that the EBITDA equals or exceeds the Entry Level EBITDA for a Performance Period.

2.12 “Performance Shares” means the number of shares of Restricted Stock equal to the Award Target, calculated by dividing the Award Target amount by the closing price of the Company’s Common Stock, as of the day immediately prior to the date the Award is granted.

2.13 “Performance Period” means each one-year period commencing on the first day of the first, second and third calendar year in each Award Period and ending on the last day of such calendar year or, if earlier, the date of Participant’s Termination of Service following a Change of Control in accordance with Article XIII of the LTIP.

2.14 “Restriction Period” means the period beginning on the date an Award is made and ending at the end of the applicable Award Period, subject to acceleration as set forth in Section 4.3.

2.15 “Shares” means shares of Common Stock.

2.16 “Target Level EBITDA” means, with respect to a Performance Period, 100% of the Performance Goal established by the Committee with respect to such Performance Period.

2.17 “Termination of Service” means the time when the employee-employer relationship between a Participant and the Company or any Subsidiary is terminated for any reason, including, without limitation, a termination by resignation, discharge, death, disability or retirement; but excluding terminations where the Participant simultaneously commences or remains in employment or service with the Company or any Subsidiary. The Committee, in its

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sole discretion, shall determine the effect of all matters and questions relating to any Termination of Service, including, without limitation, the question of whether a Termination of Service resulted from a discharge for Cause and all questions of whether particular leaves of absence constitute a Termination of Service; provided, however, for purposes of the Program, a Participant’s employee-employer relationship shall be deemed to be terminated in the event that the Subsidiary employing with such Participant ceases to remain a Subsidiary following any merger, sale of stock or other corporate transaction or event (including, without limitation, a spin-off).

ARTICLE 3. PARTICIPATION AND AWARDS

3.1 Participation. The Committee shall establish the Participants eligible to receive an Award under the Program within the first 90 days of an Award Period for such Eligible Employee in its sole discretion (subject to the terms of any applicable employment agreement).

3.2 Awards and Award Certificates.

(a) As soon as administratively feasible after the first day of each Award Period the Committee shall establish in writing the Award terms, including the Award Target and the applicable Performance Goals, the Entry Level EBITDA, Target Level EBITDA and Maximum Level EBITDA for the first Performance Period (such that at all times the Maximum Level EBITDA is equal to or higher than the Target Level EBITDA, which in turn is equal to or higher than the Entry Level EBITDA), and the Restriction Period. Thereafter the Committee shall establish the applicable Performance Goals for each of the second and third Performance Period in an Award Period within 90 days after the first day of each such Performance Period. The targets and other amounts established by the Committee pursuant to the preceding sentences shall in each case be subject to adjustment as determined by the Committee in its discretion as a result of changes in accounting principles and other significant extraordinary items or events.

(b) The Company shall provide an Award Certificate to each Eligible Employee who becomes a Participant with respect to an Award Period as promptly as practicable. After the Committee establishes the Performance Goals applicable to the second and third Performance Periods, the Company will notify the Participant in writing of such Performance Goals.

ARTICLE 4. DETERMINATION OF PERFORMANCE GOAL ACHIEVEMENTS AND AWARD PAYOUTS

4.1 Determinations and Certification by the Committee.

(a) As soon as administratively feasible after the end of each Performance Period, the Committee shall determine whether the Performance Goals have been achieved for such Performance Period, and the level of such achievement (*i.e.*, at or below the Entry Level EBITDA, between the Entry Level EBITDA and the Target Level EBITDA, between the Target Level EBITDA and the Maximum Level EBITDA, or above the Maximum Level EBITDA).

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Upon such determination, the Participant will have credited to his or her account the number of Performance Shares for such Performance Period based upon the following:

- If the Performance Goal is less than the Entry Level EBITDA, no Performance Shares are credited to the Participant;
- If the Performance Goal is achieved at the Entry Level EBITDA, the number of Performance Shares credited for such Performance Period shall be 50% of one-third of the Award Target applicable to such Performance Period;
- If the Performance Goal is achieved at the Target Level EBITDA, the number of Performance Shares credited for such Performance Period shall be 100% of one-third of the Award Target applicable to such Performance Period;
- If the Performance Goal is achieved at or above the Maximum Level EBITDA, the number of Performance Shares credited for such Performance Period shall be 150% of one-third of the Award Target applicable to such Performance Period;
- If the Performance Goal is achieved at an amount between 85% (the Entry Level EBITDA) and 100% (the Target Level EBITDA), the number of credited Performance Shares shall be determined in accordance with straight line interpolation and adjusted accordingly, and if the Performance Goal is achieved at an amount between 100% (the Target Level EBITDA) and 115% (the Maximum Level EBITDA), the number of credited Performance Shares shall be determined in accordance with straight line interpolation and adjusted accordingly. For example, if one-third of Award Target constitutes 16,000 Performance Shares and the Performance Goal is achieved at a 110% level, then the Performance Shares credited for that Performance Period would be 21,360(1).

Any Performance Shares credited in accordance with this Section 4.1 shall remain subject to the Restriction Period until the end of the Award Period and the subsequent determination by the Committee of the Performance Goal achieved and Performance Shares credited for the third Performance Period, unless the lapse of the Restriction Period is accelerated as set forth in Section 4.3 of this Program.

(b) Maximum Restricted Stock Award Limitation. Notwithstanding any provision of this Program, in no event shall the Restricted Stock awarded under the Program to a Participant exceed the limitation set forth in Section 7.2 of the LTIP.

4.2 Continued Eligibility for and Forfeiture of Awards.

(a) Continued Eligibility. Except as provided in Section 4.3, each Participant who receives an Award must remain continuously employed by the Company or any Subsidiary from the date he or she receives such Award until the last day of the Award Period.

(1) Rounded up, consistent with Company practice.

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(b) Forfeiture. Except as provided under Section 4.3, if a Participant has a Termination of Service prior to the last day of an Award Period, then such Participant shall not be entitled to receive any payment under the Program with respect to his or her Award for any Performance Periods within that Award Period, regardless of whether any Performance Shares have been to his or her account under Section 4.1.

4.3 Lapse of Forfeiture Restrictions on Awards. Forfeiture restrictions shall lapse upon a Participant's Termination of Service following a Change of Control according to the terms of the LTIP. Additionally, such restrictions shall lapse upon the following:

(a) Involuntary Termination of Service. If a Participant has an involuntary Termination of Service without Cause prior to the last day of an Award Period, such Participant shall be entitled to receive the issuance of Shares credited to his or her account, free of restrictions, with respect to the Performance Period(s) that have been completed as of the date of his or her termination. The Committee has the discretion to vary this Section 4.3(a) prior to the date of termination. All remaining Performance Shares that were not credited to the Participant's account and do not have the forfeiture restrictions lapse shall be forfeited on the date of termination.

(b) Death and Disability. A Participant who dies or becomes Disabled prior to the last day of an Award Period shall be entitled to receive the issuance of Performance Shares credited to his or her account, free of restrictions, with respect to the Performance Period(s) that have been completed as of the date of his or her death or Disability, and a pro-rata portion of the Performance Shares applicable to the Performance Period in which such death or Disability occurs, but which has not been completed. The forfeiture restrictions applicable to all Performance Shares credited to the Participant's account shall lapse on the date of death or Disability, and the Company shall issue such Shares promptly to the Participant or to his or her estate. The Performance Shares for which a Performance Period has not yet been completed shall continue in full force and effect until the end of the applicable Performance Period and until the Committee makes the determination with respect to the achievement of the Performance Goal, at which point the pro-rata calculation shall be made at the same time as issued to other Participants, and the Shares issued promptly thereafter. All remaining Performance Shares that were not credited to the Participant's account and with respect to which the forfeiture restrictions have not lapsed shall be forfeited on the date of the Committee's determination.

(c) Retirement. A Participant who retires from service prior to the last day of an Award Period shall be entitled to receive the issuance of Shares credited to the Participant's account, free of restrictions, with respect to the Performance Period(s) that have been completed as of the date of his or her Retirement, and a pro-rata portion of the Performance Shares applicable to the Performance Period in which such Retirement occurs, but which has not been completed. The forfeiture restrictions applicable to all Performance Shares credited to the Participant's account shall lapse on the date of Retirement, and the Company shall issue such Shares promptly to the Participant. The Performance Shares for which a Performance Period has not yet been completed shall continue in full force and effect until the end of the applicable Performance Period and until the Committee makes the determination with respect to the achievement of the Performance Goal, at which point the pro-rata calculation shall be made and the Shares issued at the same time as issued to other Participants. All remaining Performance

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Shares that were not credited to the Participant's account and do not have the forfeiture restrictions lapse shall be forfeited on the date of the Committee's determination.

ARTICLE 5. ADDITIONAL TERMS OF AWARDS

5.1 Applicable Provisions of the LTIP. The provisions of the LTIP relating to Restricted Stock and all administrative, governance and general provisions of the LTIP, apply to this Program. In the event of an inconsistency between the LTIP and this Program, this Program will control.

5.2 Conditions to Issuance of Shares.

(a) All share certificates delivered pursuant to the Program and all Shares issued pursuant to book entry procedures are subject to any stop-transfer orders and other restrictions as the Committee deems necessary or advisable to comply with Applicable Law. The Committee may place legends on any share certificate or book entry to reference restrictions applicable to the Shares.

(b) No fractional Shares shall be issued and the Committee, in its sole discretion, shall determine whether cash shall be given in lieu of fractional Shares or whether such fractional Shares shall be eliminated by rounding up or down.

ARTICLE 6. MISCELLANEOUS PROVISIONS

6.1 Amendment, Suspension or Termination of the Program. Subject to the terms of this Section 6.1, the Committee may amend the Program at any time and from time to time, and the Committee may at any time terminate the Program (in its entirety or as it applies to one or more specified Subsidiaries) with respect to Performance Periods that have not commenced as of the date of such Committee action; provided, however, the Program may not be amended in a manner that would impair the rights of any Participant with respect to any outstanding Award without the consent of such Participant.

PENN NATIONAL GAMING, INC.

NOTICE OF AWARD OF RESTRICTED STOCK

The purpose of this Notice is to inform you that an Award of Restricted Stock of Penn National Gaming, Inc. (the “Company”) has been made to you pursuant to the Penn National Gaming, Inc. 2018 Long Term Incentive Compensation Plan, as amended (the “Plan”), as follows:

Name and Address of Grantee:

Date Earned:

Type of Grant: Restricted Stock Award credited under the 2018 Performance Shares Program for your 2018 Award

Number of shares:

Lapse of Forfeiture Restrictions: The Restricted Period shall end on the later of _____, 20____ or the date the Committee designates when it determines the achievement of the final Performance Period goal for the Performance Shares award, but in no event later than _____, 20____. In accordance with the Plan, the lapse of the Restricted Period lapse may accelerate upon a Change in Control.

The Award is subject to all the terms and conditions of the Penn National Gaming, Inc. 2018 Long Term Incentive Compensation Plan, as amended, and the Performance Shares Program, each of which is available upon request, and the Award Agreement attached hereto.

Date: _____

GRANTEE

PENN NATIONAL GAMING, INC.

Date: _____

By:
Title:

PENN NATIONAL GAMING, INC.
RESTRICTED STOCK AWARD AGREEMENT

All Restricted Stock is subject to the provisions of the 2018 Long Term Incentive Compensation Plan, as amended (the “Plan”), the Performance Shares Program (the “Program”), and any applicable rules and regulations established by the Compensation Committee of the Board of Directors of Penn National Gaming, Inc. A copy of each of the Plan and the Program is available upon request. Unless specifically defined herein, words used herein with initial capitalized letters are defined in the attached Notice or the Plan.

The terms provided herein are applicable to the Restricted Stock Award specified in the attached Notice. Different terms may apply to any prior or future awards under the Plan.

I. PAYMENT FOR SHARES

There is no exercise price or other payment required from you in exchange for this Restricted Stock Award.

II. FORFEITURE RESTRICTIONS/LAPSE OF RESTRICTIONS

This Restricted Stock Award is subject to forfeiture until lapse of such forfeiture restrictions as set forth in the attached Notice. The lapse of such forfeiture restrictions means that the Common Stock subject to the Award shall, thereafter, be fully transferable by you, subject to compliance with Section VIII of this Award Agreement. Until the lapse of such forfeiture restrictions you may not sell, transfer, pledge or otherwise dispose of the shares of Common Stock subject to this Restricted Stock Award.

In addition, the forfeiture restrictions on this Restricted Stock Award shall lapse in their entirety as of the occurrence of any of the following events:

- A. an involuntary termination of service without Cause;
- B. your service as an Employee of the Company terminates because of your death or Disability;
- C. your retirement; or
- D. a termination of service without Cause or for Good Reason following a Change of Control occurs in accordance with the Plan.

There are no additional events or occurrences that shall lead to lapse of any forfeiture restrictions on this Award.

III. FORFEITURE

If your service as an Employee of the Company terminates for any reason (except as otherwise provided for in the Plan or this Award Agreement), then all of the Restricted Stock that remains subject to forfeiture restrictions at such time shall be cancelled and forfeited. This means that the

Restricted Stock will immediately revert to the Company. You will receive no payment for shares of Restricted Stock that are forfeited.

IV. LEAVES OF ABSENCE

For purposes of this Award, your service as an Employee does not terminate when you go on a leave of absence recognized under the Plan. Your service will terminate when the leave of absence ends, however, unless you immediately return to active service in the applicable capacity.

V. STOCK CERTIFICATES

The Restricted Stock, or any part thereof, may be represented by certificates or may be notated in the form of uncertificated shares. The rights and obligations of the holder of shares represented by a certificate and the rights and obligations of the holder of uncertificated shares of the same class and series shall be identical. During the Restricted Period the shares underlying this Restricted Stock Award will be held for you by the Company. After the lapse of any applicable forfeiture restrictions, the shares of Common Stock will be released to you in the form of a stock certificate or uncertificated shares at your option.

VI. VOTING AND DIVIDEND RIGHTS

You may vote your Restricted Stock and you will receive any dividends paid with respect to your Restricted Stock even before the lapse of forfeiture restrictions. Dividends with respect to your Restricted Stock will be paid on the same date or dates that dividends are payable on the Common Stock to Company shareholders generally.

VII. WITHHOLDING TAXES

No stock certificate or other evidence of shares of Common Stock will be released or issued to you unless you have made arrangements, acceptable to the Company, to pay any withholding taxes that may be due as a result of the lapse of the forfeiture restrictions. In accordance with the Plan, you are authorized to make payment of any such withholding tax in cash, by payroll deduction, by authorizing the Company to withhold shares of Common Stock from this Award or by surrendering to the Company shares of Common Stock that you already own. The Fair Market Value of the shares of Common Stock retained by the Company or surrendered by you shall be determined in accordance with the Plan as of the date the tax obligation arises.

VIII. RESTRICTIONS ON RESALE

You may not to sell any shares of Common Stock free from the forfeiture restrictions of this Award at a time when applicable laws or Company policies would prohibit a sale. This restriction will apply as long as you are an Employee of the Company.

IX. NO RIGHT TO CONTINUED SERVICE

This Restricted Stock Award does not give you the right to continue in service with the Company in any capacity. The Company reserves the right to terminate your services at any time, with or without cause, subject to any employment agreement or other contract.

X. ADJUSTMENTS

In the event of a stock split, a stock dividend or a similar change in the Common Stock, the number of shares of Restricted Stock that remain subject to forfeiture will be adjusted accordingly.

XI. APPLICABLE LAW

This Award Agreement will be interpreted and enforced under the laws of the Commonwealth of Pennsylvania, without regard to its choice of law provisions.

XII. ENTIRE AGREEMENT/AMENDMENT

The text of the Plan is incorporated in this Award Agreement by reference.

This Award Agreement, the Program and the Plan constitute the entire understanding between you and the Company regarding this Award. Any prior agreements, commitments or negotiations concerning this Award are superseded. This Award Agreement may be amended in a way that is adverse to you or your beneficiaries only by another written agreement, signed by both parties, otherwise, the rights of the Board or Grantor as set forth in the Plan and the Program control as to any modification, alteration or amendment of this Award Agreement.

PENN NATIONAL GAMING, INC.

PERFORMANCE SHARE PROGRAM

RESTRICTED STOCK AWARD CERTIFICATE

This RESTRICTED STOCK AWARD CERTIFICATE (the "Award Certificate") represents the Award of Restricted Stock made as of [] by Penn National Gaming, Inc., a Pennsylvania corporation (the "Company"), to [] ("Participant").

On [] (the "Date of Grant"), the Compensation Committee (the "Committee") of the Board of Directors of the Company (the "Board"), made an Award of [] shares of Restricted Stock with performance-based requirements (the "Performance Shares") of the Company's common stock, par value \$0.01 per share (the "Common Stock"). The Performance Shares are granted under and subject to the terms and conditions of the Penn National Gaming, Inc. 2018 Long Term Incentive Compensation Plan, as amended (the "LTIP"), and the Performance Share Program (the "Program") adopted by the Committee under the LTIP on [] 2018, subject to the approval of the LTIP by the Board and the Company's shareholders. Copies of the Program, the LTIP and the related prospectus are available on [link/reference]. All capitalized terms used in this Award Certificate without definition have the meanings set forth in the Program or the LTIP.

1. Award Period; Performance Periods, Restriction Period and Performance Goals.

The Award Period with respect to this Award began on [January 1, 20], and continues for three years until [December 31, 20]. The Award Period consists of three separate Performance Periods, and the number of Performance Shares are evenly divided among the three Performance Periods. The Restriction Period applicable to this Award began on the Date of Grant and extends until [, 20].

The Performance Goal for the first Performance Period is set forth below. For each of the second and third Performance Periods, the Committee or its designee will establish the Performance Goal for such Performance Period and it will be communicated to you by the Company as an addendum to this Award Certificate.

First Performance Period	[January 1, 20 to December 31, 20]
Entry Level EBITDA	
Target Level EBITDA	
Maximum Level EBITDA	

2. Determination of Earned Performance Shares.

Within 90 days after the end of each Performance Period, the Committee will determine whether, and to what extent, the Performance Goal is achieved for such Performance Period. Performance Shares will be credited to your account for such Performance Period as follows:

-
- If the Performance Goal is less than the Entry Level EBITDA, no Performance Shares are credited;
 - If the Performance Goal is achieved at the Entry Level EBITDA, the number of Performance Shares credited for such Performance Period will be 50% of the target Performance Shares applicable to such Performance Period;
 - If the Performance Goal is achieved at the Target Level EBITDA, the number of Performance Shares credited for such Performance Period will be 100% of the target Performance Shares applicable to such Performance Period;
 - If the Performance Goal is achieved at or above the Maximum Level EBITDA, the number of Performance Shares credited for such Performance Period will be 150% of the target Performance Shares applicable to such Performance Period;
 - If the Performance Goal is achieved at an amount between 85% (the Entry Level EBITDA) and 100% (the Target Level EBITDA), the number of credited Performance Shares will be determined in accordance with straight line interpolation and adjusted accordingly, and if the Performance Goal is achieved at an amount between 100% (the Target Level EBITDA) and 115% (the Maximum Level EBITDA), the number of credited Performance Shares will be determined in accordance with straight line interpolation and adjusted accordingly. An example of this Performance Shares determination is set forth in the Program.

Any Performance Shares credited to your account for a Performance Period will remain subject to the Restriction Period until the end of the Restriction Period, unless the forfeiture restrictions lapse earlier as described below.

3. Forfeiture Restrictions and Lapse of Forfeiture. Your Performance Shares will remain as Restricted Stock until the end of the Restriction Period. You must remain employed by the Company or any of its subsidiaries until the end of the Restriction Period, or the Performance Shares, whether or not credited, will be forfeited. Such forfeiture restrictions will lapse, and a designated portion of your Performance Shares will vest and be issued to you if one of the following events occurs: involuntary Termination of Service without Cause; death or Disability; Retirement from service; or a Termination of Service following a Change of Control according to the LTIP. The Program and LTIP describe the impact of these events on your Award.

4. Share Certificates. In accordance with the LTIP, the Performance Shares will be issued and outstanding shares of Common Stock as of the Date of Grant. You will be entitled to vote and receive dividend equivalents, if and when declared, on such Performance Shares once credited to your account; however, the Company will retain the Performance Shares in escrow until the Restriction Period is ended.

5. Survival of Terms. As consideration for the receipt of the Award described herein, the Participant and the Company and their respective permitted assignees and transferees, heirs, legatees, executors, administrators and legal successors are bound by the terms of this Certificate.

6. Representations. Participant has reviewed with his or her own tax advisors the Federal, state, local and foreign tax consequences of this Performance Shares Award. Participant is relying solely on such advisors and not on any statements or representations of the Company or any of its agents. Participant understands that he or she (and not the Company) shall be responsible for any tax liability that may arise as a result of this Performance Shares Award.

7. Award Certificate Not a Contract of Employment. Neither this Award Certificate nor any other action taken pursuant to this Award Certificate shall constitute or be evidence of any agreement or understanding, express or implied, that the Participant has a right to continue to provide services as an employee of or consultant to the Company or any parent, subsidiary or affiliate of the Company for any period of time or at any specific rate of compensation.

8. Authority of the Board. The Committee and the Board each have full authority to interpret and construe the terms of this Award Certificate. The determination of the Committee or the Board as to any such matter of interpretation or construction shall be final, binding and conclusive.

9. Restrictions on Transferability. No purported sale, assignment, mortgage, hypothecation, transfer, pledge, encumbrance, gift, transfer in trust (voting or other) or other disposition of, or creation of a security interest in or lien on, any of the Performance Shares by any holder thereof will be valid, and the Company will not transfer any of said Performance Shares on its books unless and until the Restriction Period ends, except to the estate of or guardian, executor or other duly authorized personal representative of the Participant.

10. Amendment. Any amendment, revision or addendum to this Award Certificate that adversely affects the rights of the Participant under this Award shall require the approval of the Participant.

11. Governing Law. This Award Certificate shall be governed by and construed in accordance with the laws of the Commonwealth of Pennsylvania, without regard to such state's choice of law provisions, except as superseded by applicable federal law.

PENN NATIONAL GAMING, INC.

By: _____
 Name: _____
 Title: _____

**ADDENDUM TO
 PERFORMANCE SHARE PROGRAM
 RESTRICTED STOCK AWARD CERTIFICATE**

, 20

On , 20 , the Compensation Committee of the Board of Directors of Penn National Gaming, Inc. (the "Company") approved the [second] [third] Performance Period Performance Goal under your Performance Share Program Award made on , 20 (the "Award"). The Performance Goal is:

[Second] [Third] Performance Period	[January 1, 20 to December 31, 20]
Entry Level EBITDA	
Target Level EBITDA	
Maximum Level EBITDA	

All other terms of the Award remain in full force and effect. This Addendum supplements the Award.

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in this Registration Statement on Form S-8 of our reports dated March 1, 2018, relating to the consolidated financial statements of Penn National Gaming, Inc. and Subsidiaries and the effectiveness of Penn National Gaming, Inc.'s internal control over financial reporting, appearing in the Annual Report on Form 10-K of Penn National Gaming, Inc. and Subsidiaries for the year ended December 31, 2017.

/s/ Deloitte & Touche LLP

Philadelphia, Pennsylvania
August 7, 2018

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the Registration Statement (Form S-8) pertaining to the Penn National Gaming, Inc. 2018 Long Term Incentive Compensation Plan of our report dated February 24, 2017, except for the classification adjustments to the Consolidated Statements of Cash Flows related to the adoption of Accounting Standards Update 2016-09, Compensation—Stock Compensation (Topic 718): Improvements to Employee Share-Based Payment Accounting, described in Note 4, as to which the date is March 1, 2018, with respect to the consolidated financial statements of Penn National Gaming, Inc. included in its Annual Report (Form 10-K) for the year ended December 31, 2017, filed with the Securities and Exchange Commission.

/s/ Ernst & Young LLP

Philadelphia, Pennsylvania

August 7, 2018
